

SECOND TAXING DISTRICT COMMISSIONERS

Regular Meeting Minutes
April 16, 2013

Present:	Mary Burgess Maria Borges-Lopez Mary Geake Sherelle Harris Mary Mann César Ramirez David Westmoreland	Chairperson Vice Chairperson (arrived at 7:15 p.m.)
Also Present:	John M. Hiscock Lisa Roland	General Manager District Clerk
Public Present:	Frank Murphy, Esq. Kara Murphy, Esq.	

Call To Order:

Commissioner Burgess called the Regular Meeting of The Second Taxing District Commissioners to order at 7:00 p.m. on Tuesday, April 16, 2013. The meeting was held at South Norwalk Electric and Water, One State Street, Norwalk, Connecticut.

Acceptance of the Minutes:

Commissioner Burgess: "I will call the Second Taxing District Commission to order on Tuesday, April 16, 2013 at 7:00 p.m. and I would like to welcome Commissioner Westmoreland to his first official meeting."

Commissioner Westmoreland: "Thank you."

Commissioner Burgess: "Now I need a motion for the acceptance of three separate sets of minutes."

Commissioner Borges-Lopez: "I make a motion to accept the minutes of the regular meeting minutes of March 5, 2013, the Annual Budget of the Electors Meeting Minutes of March 19, 2013 and the Special Electors' Meeting Minutes of April 4, 2013."

Commissioner Burgess: "Thank you. Is there a second?"

Commissioner Geake: "I will second it."

Commissioner Burgess: "Any correction to the minutes?"

Commissioner Ramirez: "I would just like to abstain from the last minutes please, at the last one, I was not here but I do accept the other ones, except the last one, I was not here, that was the March 5th meeting."

Commissioner Westmoreland: "And I will abstain from the March 5th and April 4th because I wasn't at either one."

Commissioner Burgess: "Ok, there are no corrections. Yes?"

Commissioner Harris: "I read my original minutes therefore I didn't read the minutes in this second package but I think one of the last names, DelGreco was spelled incorrectly. It may have been corrected in this set of minutes. We get one set of minutes and then we get another."

Commissioner Ramirez: "That is correct, there was a miss spelled word."

Commissioner Harris: "I think it was Mrs. DelGreco's name."

Commissioner Geake: "Dawn."

Commissioner Borges-Lopez: "Dawn DelGreco and James DelGreco."

John Hiscock: "Ok, how do you spell her name?"

Commissioner Harris: "Well it looks correct here. So it may have been in...when we were doing the vote."

John Hiscock: "Ok."

Commissioner Harris: "That part of the minutes. I think it was incorrectly spelled."

John Hiscock: "Ok."

Commissioner Burgess: "Ok, I have to abstain from the April 4 minutes. Yes?"

Commissioner Ramirez: "Simple question. Is the Commissioner Mary Mann ok?"

Commissioner Harris: "As far as I know, she is fine."

Commissioner Ramirez: "She is fine?"

John Hiscock: "We didn't receive any calls or emails."

Commissioner Ramirez: "It's just that I noticed that she was out last meeting and isn't here so I was just wondering if she is ok or not."

Commissioner Harris: "For the last meeting, I know she was away in Washington for a job

related trip.”

Commissioner Ramirez: “I was just concerned and wanted to know she is ok.”

Commissioner Harris: “Oh no...”

Commissioner Ramirez: “Just concerned that is all.”

Commissioner Burgess: “All in favor?”

Commissioners Unanimously: “Aye”

Commissioner Burgess: “And you got the abstentions?”

Lisa Roland: “Yes.”

Public Participation

Commissioner Burgess: “No public participation.”

Consent Agenda

Electric Write-offs – January 1, 2013 thru march 31, 2013

Commissioner Burgess: “I need a motion on the Consent Agenda.”

Commissioner Ramirez: “I place a motion on the Consent Agenda.”

Commissioner Borges-Lopez: “Second.”

Commissioner Burgess: “All in favor?”

Commissioners Unanimously: “Aye.”

Regular Agenda

Commissioner Burgess: “Ok the Regular Agenda now, do you want to move an item up?”

John Hiscock: “Yes, I am going to request that we move Item 9, Wilton Tax Assessment, most of which is going to be held in Executive Session, to the top of our Regular Agenda and that we also move Item 4, the Revised CMEEC Member Agreement / Creating Agreement to just after the tax session so that both legal counsel can leave and we can finish the rest of our business.”

Commissioner Burgess: "So we are going now into Executive Session?"

Executive Session

Wilton Tax Assessment

The Chairman called an Executive Session at 7:05 p.m. to discuss a legal matter regarding the Second Taxing District's Wilton Tax Assessment. Present for the session are: Commissioner Burgess; Commissioner Borges-Lopez; Commissioner Geake; Commissioner Harris; Commissioner Mann.; Commissioner Ramirez; Commissioner Westmoreland; John Hiscock, General Manager; Frank Murphy, Esq.; Kara Murphy, Esq., and Lisa Roland, District Clerk.

The Commission returned from Executive Session at 7:25 p.m.

Commissioner Burgess: "We are now out of Executive Session."

Commissioner Westmoreland: "I will happily make the motion to sue Wilton and you may have to help me with the wording."

John Hiscock: "It's simply just to authorize counsel to file with the court the tax appeal on the Wilton property."

Commissioner Burgess: "And I will second it. All in favor?"

Commissioners Unanimously: "Aye."

John Hiscock: "Thank you."

Approve the Revised CMEEC Member Agreement / Creating Agreement

Commissioner Burgess: "Now, we are going to do Item 4."

John Hiscock: "Yes, now the other attorney, Kara Murphy."

[Laughter]

Attorney Murphy: "A tag team."

[Laughter]

Commissioner Ramirez: "Thank you so much."

Commissioner Borges-Lopez: "Thank you."

Attorney Murphy: "I look nothing like my father."

[Laughter]

John Hiscock: "Ok, we discussed this item in extreme detail last month. We provided the Commission with the opportunity to discuss the Member Agreement and Creating Agreement. Just as a reminder, as you know, this is sort of a culmination of about a three-year effort to change the relationship between SNEW and CMEEC (Connecticut Municipal Electric Energy Cooperative) our wholesale supplier of which we are a member to more favorable terms, the terms which will allow us, if we so chose in accordance with the Member Agreement, to withdraw from CMEEC if we feel it is an appropriate business decision and that was an impossibility prior to these Agreements being redone and renegotiated. The Agreement is the same for all of the municipals. They have all agreed to this document. Norwich has approved it, Third Taxing District has approved it, Jewett City has approved it, we are here to approve this evening and Norwich, I believe, will deal with this next week. As I indicated to you, this has been a very long and difficult negotiation and at this point I am going to stop and let legal counsel speak to the document itself."

Attorney Murphy: "We are doing both the Creating and the Member, right?"

John Hiscock: "Yes."

Attorney Murphy: "Ok, as we discussed before, this process of rearranging the relationship with CMEEC has been three phases. It used to be that the primary agreements that we have were a Power Sales Contract, which combined both the purchase of power and the transmission and then there was another document that we haven't really talked about which is the Creating Agreement and that was the contractual agreement that brought each municipal utility into CMEEC and that Creating Agreement for the Second District was approved in the mid-1990's?"

John Hiscock: "It was...sort of approved in 1987 and then ratified..."

Attorney Murphy: "That is right. It was approved in 1987. The original approval was in the late 1980's and then in the 1990's the agreement was finalized. There was some housekeeping that hadn't occurred. Remember, the written agreement hadn't been revised and that was the Creating Agreement. The Creating Agreement is a document that is filed with the Secretary of State and it is the document that for public record creates CMEEC and indicates their authority to proceed as the cooperative. So, when the parties decided to rearrange the agreement between the different municipal utilities and CMEEC, they had to change multiple agreements. The first step, which you approved last year, was taking the transmission portion of the arrangement out and approving the General Transmission Agreement. And then about a month or two ago you approved the Revised Power Sales Contract for the acquisition of the power. And the final phase is the approval of a revised Creating Agreement and the Membership Agreement. And so we are at the final phase. And the Creating Agreement has been revised, in a very limited manner. Essentially what CMEEC has done and John and I have worked with CMEEC on

that end as the other municipal utilities, we have taken everything that involves membership in CMEEC out of the Creating Agreement and moved it over to the Membership Agreement that is more definitive as to the rights of the parties. So the Creating Agreement has changed a bit but not dramatically. And so that agreement says that the Second District is a member of the cooperative and that all of the issues related to membership are discussed in greater detail in the Membership Agreement and it is just mainly a simple document to be filed with the Secretary of State. So, each municipal utility has to approve that Creating Agreement, as revised, so that we can proceed forward. The Membership Agreement is a far more important document for us to discuss today. What the Membership Agreement has done is taken all of the issues between the parties and consolidated them into one agreement if those issues are related to membership in CMEEC. So, under the old agreements some of the membership issues were in the Power Sales Contract. We have taken that out and put it in the Membership Agreement. And what the Membership Agreement does, is it discusses things such as how a municipal utility becomes a member of CMEEC and what steps they have to go through to become a member of CMEEC because there are municipal utilities in Connecticut that are not yet members of CMEEC. For example, Wallingford is not yet a member of CMEEC. There is a relationship between CMEEC and Wallingford but the point of creating the Membership Agreement is that membership should have benefits and by creating this document it is encouraging other municipal utilities, if they want to, to come into CMEEC and outlining exactly what it takes to become a member. And then the next section of the Membership Agreement talks about the ongoing requirements of the Second Taxing District and all the other municipal utilities who are members, what they need to do to remain as a member in good standing. So, whether it is a contribution of equity, whether it is maintaining their credit rating, whether it's not taking any action that is harmful to CMEEC and those types of things are concentrated in the Membership Agreement. And then when you are a member, there is an interest level that every member has in each project or the project that they want to participate in and the Membership Agreement now specifically defines how that interest level is calculated and it is based on a five-year rolling average of your electrical load. Is that correct John?"

John Hiscock: "Yes."

Attorney Murphy: "Ok, so they keep track of how much electricity you are purchasing from them and then they calculate it on a five-year average. That is how they determine your membership level. Then there are several sections throughout the Membership Agreement that talk about equity and profits and distribution of equity and profits. So, equity is essentially the money that the Second District has to pay in or has already paid into CMEEC to be a member and to contribute to CMEEC's business. Margin is essentially the profit that CMEEC generates from the sale and the transmission of the electrical power back to the municipal utilities. And then finally, there is a section on the distribution of any profits and how that can be distributed back to the municipal utilities because some of the projects that the Second District might be involved in are profitable and then sometimes a project looks profitable and is not. So, the whole section talks about how to distribute the profits, when there are profits. One of the benefits of this new Membership Agreement is the Second District is no longer put in a position where they have to participate in a project, so that if John feels that a project is not in the best

interest of the Second District and is not profitable for the Second District, he is not put into a position where he has to participate in something that is going to help only Norwich or Groton. Other main sections that John spent a lot of time with CMEEC on have to do with the management of member funds. There is a fund called the Rate Stabilization Fund. It is money that SNEW contributes every month to stabilize the rates and ultimately that benefits the customer's of SNEW. And then there is the Trust Fund and some of the municipal utilities pay money into that Trust Fund and they park funds there and some do not. I don't believe the Second District is...is the Second District using the Trust Fund at this point, John?"

John Hiscock: "We used \$1 million essentially out of the Trust Fund for rate stabilization last year. As part of the refinancing we are going to use another significant portion of the Membership Trust and relatively soon I think, if this agreement is finalized by everybody we will probably come up with a plan to eliminate the money in the Trust and move it onto SNEW's books instead. It is certainly a better position for us. None of that would we be able to do under the old arrangement."

Attorney Murphy: "What the new Membership Agreement does is it specifically states how CMEEC can manage the Rate Stabilization Fund monies and the Trust Fund monies and who can access that money and how they can be used. That has been clarified and more importantly, in the Membership Agreement, it has been clarified if SNEW wanted to withdraw from CMEEC entirely, how they could get that money back. In the prior agreements it wasn't clear as to how to get that money back, if at all. And there is a mechanism now to get it back. The argument that John and I had with CMEEC was that this money is not CMEEC money, it is SNEW money. And they may be managing it but that doesn't mean they can use it until SNEW says they can. It is kind of like if as an attorney, you give me my IOLTA account, my trust account, and I can't touch it until you, the client, tells me to and dictates how it can be touched. So, it is the same concept. The most important change that comes with the Membership Agreement and that started with the Transmission Agreement and also the Revised Power Sales Contract is the ability to withdraw from CMEEC. The business environment has changed dramatically since the 1980's and now there may be a time, because we don't have a crystal ball, when it would be more beneficial for the Second District customer's not to be a part of CMEEC. So, because the Second District needs to be competitive with CL&P and you can't have rates that are not competitive and now we have a mechanism to get out and there are steps to get out such as a two-year notice period before you leave and the reason for the two-year notice period is that CMEEC buys power several years ahead and so you have to give CMEEC enough time because you have these outstanding contracts to buy power several years ahead on the market. And if the Second District follows all of the steps for withdrawal, there is a mechanism for the Second District to get those Rate Stabilization monies and those trust monies back, as well as some of its equity. And there is a payout plan set out in the agreement to get that money back. Its five years from the date that the withdrawal becomes effective and the way it works is that on the date the withdrawal becomes effective you will get 20% back the first year, 20% back the next year and it will be paying out 20% over the course of five years. Originally, the way the agreement was written you had the date of withdrawal and then you had to wait an entire year before they were going to pay back that money and that is just not fair because you are out, you

have one foot out the door. So it is now going to start the date the withdrawal becomes effective. The other mechanism that has been added to this is involuntary withdrawal, where CMEEC has invited a municipal utility to leave, shall we say? And the reason they would do that would be a utility might be obstructionists, they may owe a significant amount of money and it is detrimental to all of the other municipal in the cooperative or more importantly, because as you may have seen on the news, there are municipalities throughout the country that have gone bankrupt. If one of the municipalities involved in this agreement went bankrupt, it could have a detrimental effect on CMEEC. So, there is a mechanism for involuntary withdrawal. A case for example is where someone went bankrupt so that they could preserve CMEEC and get rid of that municipal utility that is holding them back. There is also a process that is clearer now for the dissolution of CMEEC. If there comes a time when CMEEC can't compete on the open market in an effective way as compared to CL&P and United Illuminating or who else might come into the market in Connecticut, there is a mechanism for that. And as part of the mechanism discusses how the Second District would get its money back. Its money out of the Rate Stabilization Fund, its money out of the Trust Fund, if it has money in the Trust Fund, if it has any earned equity that has not been paid, how to get that back. And there are some basic provisions on governments of CMEEC included in the Membership Agreement, but essentially that refers it over to the By-Laws which you don't have to vote on. And the other section that is important is on participation and additional power projects and now it is voluntary project-by-project. It is not mandatory as it had been in the past. Again, that was a lot of information to absorb so."

Commissioner Burgess: "Yes, go ahead."

Commissioner Westmoreland: "I have a question. When you say that SNEW now has the option to not participate in projects, is that referring to purchases of electricity contracts or infrastructure projects that might benefit Groton but not us?"

John Hiscock: "A project is defined in several different ways. Sometimes it is a physical asset, it could be a power plant that we purchase at the CMEEC level; it could be a project that we develop. Everyone has a definition when the project starts is something that has to be five-years or greater in length. Generally projects are financed with debt. They can be contract; a long-term contract could be a project; that is a possibility, a partial interest in a power plant that has many partners. The short-term purchasing is where we purchase in the market forwards and futures and that is where a five-year timeframe, we can't purchase anything more than that unless it is a project. I know that is a little fuzzy and you will get used to the terminology as we go forward."

Commissioner Westmoreland: "No, no, I understand that. It is just generally, when you are buying a piece of something physical versus a futures contract."

John Hiscock: "Future or contractual, it could be a contract."

Commissioner Westmoreland: "If it was long-term but that would be unlikely."

John Hiscock: "If it was a long-term contractual arrangement."

Commissioner Westmoreland: "Right."

John Hiscock: "Over five years."

Commissioner Westmoreland: "Right, right."

John Hiscock: "I am certainly recommending that the Commission approves the Membership Agreement and the Creating Agreement. This really is the final act for the Commission for something that we obviously started and I will tell you SNEW is the one who started this three years ago. And while the other municipals have been cooperative, it is something we all had to agree upon, it really came about because SNEW indicated to CMEEC the arrangement originally contemplated in 1980, which we joined in 1987 and which had a termination date of December 1, 2029, was unacceptable and for CMEEC to continue to develop projects and get financing, the arrangement had to be changed because SNEW essentially said it would not extend the prior agreement any longer, that it wouldn't accept the terms and conditions and that is where the negotiations started. It started under the previous CMEEC CEO, Mo Scully. However, it moved considerably faster and more favorable under Drew Rankin, the new CEO and I say the new CEO, he is actually in his third year, who really pushed forth the attitude that the arrangements need to be commercially acceptable and viable arrangements and shouldn't be a set of handcuffs. He has been instrumental in moving this forward and certainly I don't think we would have gotten this far on this project or as far down this path to the end, had it not been for the attitude of the new CEO at CMEEC. So, it has certainly been a cooperative effort on everybody's part and while the other munis weren't excited about going down this path in the beginning, I think they have all recognized that this is a substantially better arrangement and it is a substantially better arrangement because SNEW spent a considerable amount of time forcing the better arrangement through the process."

Commissioner Borges-Lopez: "Well, I move that we approve the revised CMEEC Member Agreement as well as the By-Laws."

Commissioner Geake: "I will second that."

John Hiscock: "And I think the Creating Agreement is part of that, so it's the Member Agreement / Creating Agreement. That was why we did it with a slash because the Creating Agreement is something that allows the Member Agreement and they really are a pair."

Commissioner Borges-Lopez: "So, just do one at a time?"

John Hiscock: "Both together."

Commissioner Borges-Lopez: "Both together? I will approve the revised CMEEC Member Agreement, By-Laws..."

John Hiscock: "And Creating Agreement."

Commissioner Borges-Lopez: "And Creating Agreement."

Commissioner Geake: "I will still second it."

Commissioner Burgess: "Any more discussion on it?"

Commissioner Westmoreland: "I just have one more question."

Commissioner Burgess: "Sherelle."

Commissioner Harris: "I am sorry, I try hard not to ask this but if someone is asked to leave CMEEC, I guess because there is a two-year... like a relief where you have to give a two-year notice but if someone is asked to leave, are there penalties, do they have to pay back certain things, like...?"

Attorney Murphy: "So, this is a two-part process. If one of the other municipal utilities owed a tremendous amount of money, for example, to CMEEC and couldn't meet its obligation to CMEEC, because you have to remember, you have to pay for your power that you get from CMEEC, so that would be an example of owing a lot of money to CMEEC. CMEEC would put them on notice that they are not meeting their obligations under the Membership Agreement, I think it is 45-days, although I would have to check in here."

Commissioner Geake: "It is."

Attorney Murphy: "And then from there the utility would have 30 days or so to basically come up with that money and bring themselves back into good standing and if they don't there is the penalty in the sense of forfeiture, so you would forfeit things like your Rate Stabilization Fund, the money in the Trust Fund, you would forfeit any equity you generated by being a member of CMEEC. You could forfeit that as well. And essentially you would be forfeiting it to the extent that you owe CMEEC the money. The other side of that would also be if one of the municipalities went bankrupt. You would be immediately ejected from CMEEC because CMEEC has to maintain a certain level of credit rating because of the bond holders and so CMEEC would have to eject somebody who was in bankruptcy immediately in order to maintain their credit rating."

Commissioner Ramirez: "The first one would not be a very healthy separation, let's put it that way."

[Laughter]

Commissioner Harris: "I was thinking more so among the bankruptcy because obviously they are having issues anyway, so at the end, if they are asked to leave is it just that you forfeit everything or is there a way for them to come back into the good standing or do they have to pay anything?"

Attorney Murphy: "Well, I think the bankruptcy is a little bit different because, as you all know when you go bankrupt; it destroys your credit rating. So, if CMEEC has a partner, a member who has gone bankrupt, it could jeopardize CMEEC's credit rating. And so, that would be a very swift ejection from CMEEC and once again, any of the monies that CMEEC is holding for that municipality, the Rate Stabilization Fund, the Trust Fund or any equity CMEEC has, they would obviously want to hold onto it because it is the only way they would be made whole. And whether they can hold onto that money or not, ultimately it is going to be up to the bankruptcy court and the bankruptcy trustee, but that would be what they would try to do and there would be a lot of litigation over that, but that is what they would do. And if someone did go bankrupt, whether they can come back into CMEEC or not, would be determined 1) by the bankruptcy court, 2) by the credit rating agencies and 3) by the bond holders, because CMEEC has a lot of outstanding bonds that finance its projects and the bond holders and credit rating agencies might not want somebody who had been bankrupt to come back into the organization."

Commissioner Harris: "Well we know that would never happen to us, right?"

Attorney Murphy: "Yes."

[Laughter]

John Hiscock: "We do not want to be in that position."

Commissioner Ramirez: "Absolutely not."

John Hiscock: "You wouldn't be in that position if it were properly managed."

Commissioner Harris: "We have a great General Manager."

Commissioner Westmoreland: "I did read this and again I apologize because of my newness."

Attorney Murphy: "That is ok."

Commissioner Westmoreland: "I just want to make sure that if we approve this agreement tonight this does not require any cash payments or increase the indebtedness of SNEW or the Second Taxing District at all, as I read it. Is that true or not true?"

Attorney Murphy: "There is equity that SNEW pays in every year to maintain it level but as far as indebtedness, in order to make this three phase revision come to fruition, CMEEC is refinancing indebtedness right now so that the new agreement can come into effect and so to that extent, the indebtedness of SNEW is going to change with regard to CMEEC, but it is ultimately more beneficial for you, for SNEW to have this new agreement because SNEW can get out of CMEEC."

Commissioner Westmoreland: “Right. I understand that. I just want to know if our indebtedness is going up or down.”

Attorney Murphy: “John could probably answer that part better than I can.”

John Hiscock: “The actual indebtedness which SNEW is responsible for as part of the prior arrangement and as part of the new arrangement is the same. The amount that CMEEC is currently refinancing, refunds a series of prior bond issues but they are simply refunding and refinancing and the reason for that is the old Power Sales Agreement was the security for the bonds previously and we were prohibited from entering into a new arrangement under the old bonds. So we were forced to pay off and refinance everything. So this is essentially a refinancing of everything and an additional \$6 million of refinancing for which SNEW is responsible for about 10% of for a project entitled 15/5 which the Commission has dealt with over several years, which ran significantly over budget. It was originally approved for \$34 million, it became a \$40 million project and that \$6 million spread was financed out or actually paid out of CMEEC cash and nor could we cover that cash for cash flow purposes and coverage ratios and all of those things, that \$6 million is being added. But, it was money that SNEW was ultimately responsible for either way so the short answer is no, it does not increase our indebtedness or responsibility.”

Commissioner Westmoreland: “And assumedly the rates would be better under this financing?”

John Hiscock: “Rates are significantly better. We just got our credit ratings from Fitch and Moody’s last week, they were favorable. They both held firm. I went down to the rating agency, being that I am Chairman of the Board of CMEEC, so I attend all of those meetings and we got successful credit ratings. We will lower the interest rate by about 1% on all of the outstandings, so it is favorable. We are also extending the term considerably because we were pinned in to December 1, 2029. We are now going out to approximately 2050. The changing of the term is a cash flow benefit to us and right now we are sort of squeezed for rates and the new financing term is going to match the remaining asset life.”

Commissioner Westmoreland: “Good, thank you.”

Commissioner Ramirez: “Just a last question before we close. Where would our relationship be once we build our plant?”

John Hiscock: “Our substation project is unrelated to the CMEEC relationship except there are our market participant, so other than that the building of the substation really retires a relationship that we have through CMEEC with CL&P and its to abandon some current CL&P assets that supply power to us at the sub-transmission level from the Flax Hill Road substation down to our substation. We pay a lot for those facilities. They have been the source of all of our or most of our major outages and we will talk about that a little bit later this evening. So, the new plant really has nothing to do with this arrangement at all.”

Commissioner Ramirez: "So it does not reflect any differences in the last payment to these folks once we..."

John Hiscock: "No, the substation is not going to be in anyway affecting any of the payments to CMEEC or any of the relationships even though the way that we pay for the CL&P facilities is through a wholesale distribution arrangement, which you probably remember, the WDA, which we renegotiated three years ago, the arrangement is between CL&P and CMEEC because CMEEC is the market participant. However, there is a secondary relationship between CMEEC and SNEW, which makes us cover those payments and arrangements."

Commissioner Ramirez: "What I am wondering is how much would we be able to save our recipients, if we are still paying the same?" Is there any percentage of savings?"

John Hiscock: "It would lower our payments to CMEEC by about a million dollars per year and that will be the same million dollars per year that CMEEC pays to CL&P for the use of these CL&P facilities. I know this is a complex relationship. There are many agreements and relationships that we deal with."

Commissioner Ramirez: "Well, I guess the purpose for building our plant was to see if we could save or see a reduction in..."

John Hiscock: "We will save a million dollars a year."

Commissioner Ramirez: "Right."

John Hiscock: "We will not pay that million dollars a year to CMEEC and CMEEC will not pay that million dollars over the CL&P. So if you take CMEEC out of the equation it is sort of a triangle."

Commissioner Ramirez: "Right, I can see that."

John Hiscock: "The money goes from us to CMEEC to CL&P. But the actual physical relationship is down here between us and CL&P. CMEEC is merely our agent. Maybe that is the best way to put it. So, that million dollars will not be spent and that million dollars will be used to finance the substation."

Commissioner Burgess: "Are there any other questions before we vote? There is motion for that. All in favor?"

Commissioners Unanimously: "Aye."

Commissioner Burgess: "Opposed, abstentions?"

[No opposed or abstentions]

Commissioner Burgess: "And I would like to thank the Chairman of CMEEC."

[Laughter]

John Hiscock: "Should I go and sit in the audience and put my other hat on?"

[Laughter]

Commissioner Ramirez: "Thank you attorney Murphy."

Commissioner Burgess: "Thank you attorney Murphy."

Attorney Murphy: "You are welcome. Have a good night."

Commissioner Borges-Lopez: "Good night."

Commissioner Ramirez: "Thank you very much."

Customer Appeals Committee - Vacancy

Commissioner Burgess: "Alright, there is a vacancy on the Customer Appeals Committee. Mary Mann is an alternate, I would like to ask her if she would move up to be a regular, but I am doing that very gently."

Commissioner Mann: "Yeah, I can see. Yes I will."

Commissioner Burgess: "Thank you, so Mary Mann is the new member of that Committee. I will make a motion that Mary Mann become a member of the Customer Appeals Committee."

Commissioner Borges-Lopez: "I will second that."

Commissioner Burgess: "All in favor?"

Commissioners Unanimously: "Aye."

Commissioner Borges-Lopez: "Do we need an alternate?"

John Hiscock: "However, now we need an alternate."

Commissioner Mann: "We need an alternate."

Commissioner Geake: "Yes."

Commissioner Burgess: "Well?"

Commissioner Borges-Lopez: "I will make a motion for Mary Geake for an alternate?"

Commissioner Mann: "I will second it."

Commissioner Burgess: "All in favor?"

Commissioners Unanimously: "Aye."

Commissioner Burgess: "I didn't give you much of a chance to say no, did I?"

Commissioner Geake: "No, but I will abstain from voting."

5th Annual SoNo Stroll Banner Funding Request

Commissioner Burgess: "The 5th Annual SoNo Stroll."

John Hiscock: "Item 5, the 5th Annual SoNo Stroll Banner Funding Request has come to us. We have in the past hung the banner. The cost of hanging the banner is \$525.50 and it amounts to essentially to our labor for hanging and un-hanging. However, we have no money."

Commissioner Burgess: "We have no money, correct?"

John Hiscock: "We have allocated all of the \$2,500 that was allocated in this year's budget for unspecified community service. This item has never been a line item in the budget so it always falls under unspecified community service and there are simply no funds. To remedy that situation is a very difficult procedure. One, the Commission would have to propose to add to the unspecified community fund budget for 2012/2013; would have to approve it and then they would have to send it to the electors for approval with an electors budget modification meeting; a very complex and very expensive process, far in excess of the cost of the \$525.50. So it would be the \$525.50 estimate plus about another \$1,200 to go through the process to get there. So, that is where we are."

Commissioner Burgess: "Is there a motion as to what to do about this, like now?"

Commissioner Borges-Lopez: "The motion is to advise the Human Services Council that unfortunately we have used up the budget."

Commissioner Burgess: "Second it. Any discussion?"

Commissioner Geake: "One thing, since we are not actually spending cash in other words, its never been that they want cash just to do something, but it is our time and money and manpower. Is there any other way that it could be approved without it being under a miscellaneous donation, but somewhere else? I am sure it has been done in other ways."

John Hiscock: "It used to be done a long time ago at SNEW in other ways, but since I

have been the manager that has not happened. We do not hide non-operational expenditures in operations.”

Commissioner Geake: “Well I didn’t mean hide, I just meant...”

Commissioner Burgess: “For which some of us are very grateful.”

John Hiscock: “I was referring to the history and what has happened in the past. There were many, many of these items that were not approved by the electors that were comingled with operations.”

Commissioner Ramirez: “We don’t want to bring the past into the future.”

Commissioner Geake: “No, we don’t want to do that.”

John Hiscock: “Maybe hiding was an inappropriate term. Comingled with operations is a better explanation. Sorry for the inappropriate terminology.”

Commissioner Borges-Lopez: “Slush fund.”

Commissioner Burgess: “All in favor of the motion.”

Commissioners Unanimously: “Aye.”

Commissioner Burgess: “Opposed?”

[None Opposed]

1st Multicultural Festival – Funding Request

John Hiscock: “Item 6 is a new funding request that we received. This would be for the next fiscal year. You have already approved the budget for the next fiscal year for 2013/2014 and it was approved at a level of \$2,500. The District has not approved any expenditures for this amount of money that is already approved in the next year’s fiscal budget and my comment to you is simply that we have no other formal requests at this point but we have used the money in the past for other fundings.”

Commissioner Burgess: “I have to say something. This is obviously geared to attract people from out-of-town. You know my feeling is that if we spend money that our ratepayers have given us it should be spent going back to our ratepayers and their enjoyment. I just wanted to say that. Are there any other questions?”

Commissioner Borges-Lopez: “I make a motion that we decline this request at the moment.”

Commissioner Burgess: “Second?”

Commissioner Geake: “Yes, I will second it but I did want to say something. So it is not even held in the Second Taxing District area, I feel very strongly, it could be a wonderful event but it is not even being held in our District so I don’t feel it is appropriate for our consideration.”

Commissioner Burgess: “Any other discussion? You are bursting there Commissioner.”

Commissioner Ramirez: “I will remain with the fifth this week.”

Commissioner Burgess: “All in favor of the motion?”

Commissioners Unanimously: “Aye.”

Commissioner Borges-Lopez: “And the fifth.”

[Laughter]

Commissioner Burgess: “Opposed or abstentions?”

[None opposed or abstentions]

Electric Customer Non-Residential Deposit Policy

Commissioner Burgess: “Ok, John, Non-Residential Deposit Policy.”

John Hiscock: “There is a brief write-up in your Board Book under tab 7 with respect to the Electric Customer Non-Residential Deposit Policy. I am not going to go over the write-up in detail. Behind it is the suggestion red-lined under Item 10, the Item 10 change simply is to instead of ‘SNEW may at its sole discretion accept as an alternative to cash, a letter-of-credit, a secured interest in the property being served or any other financial instrument,’ the proposed wording that I have worked on would be ‘that SNEW will accept as an alternative to cash, a letter of credit.’ From a practical purpose we have never turned down a letter of credit. We have only one currently on file with us from one of our customers, one of our very large customers. This issue has come up because our Non-Residential Deposit Policy has come under fire with respect to business, which I would almost describe as transient businesses in central South Norwalk’s business district. We have a significant number of bars and restaurants. Bar and restaurants are very, very risky businesses, extraordinarily risky businesses. We have had tremendous losses with bars and restaurants in the South Norwalk business district over the years. We have a little difficulty with the landlords who are upset that we have deposit policy that requires three-months estimated bills. And it is always a problem when someone starts a business up and they are trying to minimize their cash outlays. Some of the complaints are that we never return the money until the account is closed. We do pay interest on it but that

interest is at a basically a long-term CD rate, which is obviously very low now and continues downward. We are almost about to run out of the major CD now that has been able to keep the rate as high as it is. It has been a difficult thing. There was a bill submitted in the Legislature to tighten up the policy. We have been discussing this with the Chair of the Energy and Technology Committee some changes. And the changes that I have drafted here, with a little bit of input from that individual, in my opinion, do not in any way affect our ability to continue the Non-Residential Customer Deposit Policy. I consider a letter of credit just as good as cash. It doesn't weaken our position and in fact, I think that if this eliminates any move in the Legislature to affect deposit policy, we will be better off. And generally with most legislation it comes along piecemeal. Once there is a piece of legislation that speaks to this issue it might get changed at a later date by somebody who feels it's inappropriate. It is harder to start from scratch than it is to modify. So my basic suggestion is that while I am not happy with the opposition to the Non-Residential Deposit Policy because it basically forces the existing customers to accept risk from other customers which, is in my opinion inappropriate. It is unfortunate that this has put us in this position but I am suggesting that this change is both appropriate and is logical under the circumstances to prevent something that could be detrimental going forward."

Commissioner Ramirez: "You think this is reasonable than. Need a motion?"

Commissioner Burgess: "Yes."

Commissioner Ramirez: "I would like to place a motion please."

Commissioner Burgess: "Is there a second?"

Commissioner Borges-Lopez: "I second to approve the changes in the electric Non-Residential Customer Deposit Policy."

Commissioner Burgess: "Any discussion? All in favor?"

Commissioners Unanimously: "Aye."

Commissioner Burgess: "Opposed or abstentions?"

[No opposed or abstentions]

Substation

Commissioner Burgess: "Substation, you are on."

John Hiscock: "Ok, this is going to be a relatively quick update from my perspective. Please stop me at any point and ask me any questions. This is sort of a very informal update for you. The Siting Council has rendered their decision with respect to our substation Siting Council Application. The decision essentially was, as submitted. They

made no changes to the application, as submitted by us. It was approved on March 21, 2013, about three weeks ago. There is a thirty-day waiting appeal period so sometime later next week the process will become final. The only other issue that we need to deal with on the Siting Council is we have to provide a design and maintenance plan. That is normal for any Siting Council application because the Siting Council recognizes that from an initial application period, as you go through a design, things might have to change for engineering reasons or other reasons. And we do have some relatively minor changes that need to occur from the plan. Our legal counsel, Andrew Lord, has indicated that he believes the changes will be acceptable to the Siting Council. We will then indicate to the City of Norwalk what those changes are along with a letter indicating that Siting Council has final jurisdiction. We have made Planning and Zoning aware of those changes and they are very minor changes, extraordinarily small changes. One is the relocation of a control house for CL&P by about three feet, relocation of one of our bulk power transformers by about five feet and the changing of SNEW's control house from two individual control houses to one. In the overall scheme, these are very minor changes, so we expect that to go reasonably well. That is an important step because the Siting Council's decisions are appealable, there were no appeals, there were no interveners as of this date; the Siting Council has received no information after their March 21st decision. So by next week sometime we will be cleared by the Siting Council, which means the project is moving forward, there are relatively few impediments going forward although, there are always difficulties. The design of the CL&P portion of the substation is 70% plus percent complete approaching 100% on their design. They will own the three monopole towers to move the transmission system through the substation. They will own towers, substructures, a control house and an intermediate breaker on the transmission system. The purpose of the intermediate breaker is certainly to our advantage because it allows us to in the event of a failure anywhere along that portion of the transmission line, to isolate and be fed from other half. It has been determined that it is a reliability improvement to the transmission system, so it is going to be funded as pooled transmission facilities. The good news is that CL&P is making the investment and everybody else in Connecticut and New England is paying their pro-rata share. That dramatically lowers our cash outlay for the substation. I originally indicated to you that we were in the \$10 million range, \$10 million to maybe \$12 million. We are now talking significantly lower than that and I will explain that as we go forward. SNEW's design is about 30% complete. We had to wait for CL&P's design to get to about 70% before we could go forward with our design. Now, I am not talking concept plan that we gave to the Siting Council, I am talking about hard engineering design, locations, foundations, equipment, cables, wires and all of the detail. We are now meeting with CL&P on a monthly basis with both of our design teams and exchanging information. We believe we have finalized the shape and location of the fence line between their portion of the substation and our portion of the substation. Attorney Kara Murphy is working on the easement that we will be giving to and actually selling to CL&P to house their portion of the substation. We are going to give CL&P rights almost up to fee interest, title and the land. They will be able to use it almost as if it was their own but it will be our land. It will remain under their control as long as there is a transmission substation facility located on the site, which is probably essentially perpetuity."

Commissioner Geake: "Can I stop you for a minute?"

John Hiscock: "Yes."

Commissioner Geake: "If CL&P were to, for some reason, if their property were to burst into flames and burn down our property. Do we have anything in writing to protect us?"

John Hiscock: "Because it is an integral portion of the ISO/New England transmission system, CL&P is obligated to replace it and generally because of the nature of the regional electrical transmission systems, they are generally not insured. They are self-insured. They are self-insured because it is so astronomically impossible for the entire system to fail, that there is no reason to insure it."

Commissioner Geake: "Ok."

John Hiscock: "You couldn't imagine, short of nuclear war, a catastrophe that could take down the entire system. So, it is always self-insured and all of the owners self-insure, no one insures transmission systems. And there is an obligation on their part. They own the facility; it is assigned to ISO/New England for their use, so there really is no risk on our end, at all. And our portion however will be insured."

Commissioner Ramirez: "Ok, that was one of my questions. Second, through the chair? Are we making sufficient money by the sale of the easement?"

John Hiscock: "We will cover our expenses and you understand because there is a negotiation involved with CL&P, I am going to stop right there. We will cover our expenses. Our goal isn't to make a profit on CL&P. It is to cover our expenses because..."

Commissioner Ramirez: "Is it fair to say perhaps later and you don't have to say this today, a number of how much will be our expense?"

John Hiscock: "Before we get to approval by the Commission, we will do a detailed presentation on which we will lay out in Executive Session to the Commission the bases for the number, so you can make a determination if you believe it is appropriate."

Commissioner Ramirez: "Ok."

John Hiscock: "Where are we on the project? We are working with Metro-North to do clearing of the trees and other vegetation along the slope between ourselves and the tracks. We have hired a contractor. We have applied for a permit, by competitive bid. We have applied to the railroad for a permit. I have a draft of the permit, which I signed today. We are in the process of providing the insurance necessary to work adjacent to the railroad. That is moving along smoothly and the railroad, despite what you might hear, has sufficient processes in place that things are moving along reasonably quickly. They are not delaying this process at all and they are being responsive and helpful and that is their job, but that is going along well. We are moving to site remediation. Our license environmental professional has proposed to the DEP a site remediation plan, which takes about sixty days to get approved. We have noticed the site with a sign on the site saying

that it is going through site remediation. Our contractor, our licensed environmental professional who started with us in this process when we did the phase one and phase two evaluations and eventually the phase three is Hygenix, the principal of Hygenix is Art Morris. We have published the legal ad in the newspaper and that process is moving along. And we believe we are within the site remediation cost that we originally had determined and that number is in the half a million dollar range, for a remediation. It is consistent with the original estimate that we had about two years ago when we did the phase two work. So that is on schedule and on price.”

Commissioner Westmoreland: “What were the contaminates that were being remediated? I thought that was a residential site.”

John Hiscock: “No, it actually was a transfer act sight. There was a repair garage on the rear of the sight. It was at one point called Rings Garage. It was owned by the...”

Commissioner Westmoreland: “I thought it was a yellow house.”

John Hiscock: “Yes, but there was a garage right behind it. There are two components to the site that are a problem. The garage had a drywell floor drain in the center of the garage and petroleum products essentially washed down the drain. The drain and drywell was interesting because it went down about eight feet and that was where the pipe ended and that is where the plume starts. The plume is above the seasonal ground water level which we are required to remediate. The section of the plume that is below the seasonal ground water table by regulation is not required to be remediated. The ground water flow is away from the site towards the railroad tracks and then to the southerly direction and I eventually believe goes to the Wilson Cove area. That is one component. That soil has to be removed and disposed of. The second component is lead, arsenic and I believe there might some mercury but not a constituent of concern because of the concentration level and that is simply historic construction, debris and fill. The entire Martin Luther King Boulevard corridor is full of fill and cut that was moved in the 1970’s before we had environmental concerns and all of the fill placed or a considerable amount of the fill placed in that corridor and we are in that corridor, doesn’t meet standards and get removed as projects are created. So, those are the contaminates. Not any of them are a high level but they exceed pollutant mobility standards and have to be removed. So essentially it’s going to be a major excavation and we are going to move a significant amount of material and each of the two components go to different locations based on what they are.”

Commissioner Westmoreland: “Thank you.”

John Hiscock: “The surveyors are working, you may or may not have seen them, on Old Ely Avenue, between Mulvoy and Lowe Street down to the section of Old Ely Avenue that goes out to Martin Luther King and up a slope. There are two things going on, gas companies replacing a gas main, you will see a lot of utility markings in that area and the remainder of the utility markings is for our planning purposes, that corridor is the redundant supply from the redundant transformers at the new site to feed our existing facility so that we have two totally independent paths for both safety and failure reasons.

So that is moving along and we are trying to come up with a design for underground facilities in that location. That is moving along well. What is not moving along so well is the railroad bridge itself on Martin Luther King Boulevard between Lowe and our site; we have conduit work under the bridge.”

Commissioner Ramirez: “I am sorry, between what?”

John Hiscock: “Between Lowe Street and our substation site is the railroad bridge on Martin Luther King where Martin Luther King goes over the tracks, it goes over the main line, four tracks. Recently, our crew was sent to clean and proof the conduit to make sure they were viable for the conductors that need to be put in place and we essentially got two surprises. The first surprise was that they were not intact and our crew went underneath and probably shouldn’t have gone under the tracks but did and photographed. And the interesting determination was that the conduit was plastic and it had parted in a significant number of locations and was no longer useable. That is an interesting setback and a very difficult setback. What’s even more surprising is that the number of conduits didn’t match the plan and in fact the material and size didn’t match the plan. The original plans called for five inch steel conduit under the bridge, hung from under the bridge structure and it turned out to be four inch plastic. Plastic is a no, no in open atmosphere because plastic has a huge co-efficient of expansion and contraction so that the temperatures from zero to ninety essentially move the plastic all over the place and there were no expansion joint besides. So the conduit work under the bridge is now non-useable. It has failed. We have started discussions with Metro-North with respect to replacement. That is going to be an ugly project. If you are familiar with the neighborhood, there is no way to get from our substation site to our existing site without going over the bridge or going across Martin Luther King, down the slope to abandoned Ely Avenue and putting both pathways in a crowded street for the primary and the redundant system. Now, I call them primary and redundant but they actually carry equal amounts of load but both are able to carry the full load. I have several plans of viable options. One is the replacement of the conduit in place and the other is a hanging of new conduit on the bridge in an alternate location. Obviously, both of them require Metro-North approval because this is the main line tracks. It is the northeast corridor. You simply don’t work there without a lot of approvals. Hopefully, one of the two alternates that I am planning and trying to put into place will be acceptable. The issues are complex. The bridge is owned by the City of Norwalk. It was funded by State and Federal monies. The bridge is inspected and maintained by Connecticut DOT, the State of Connecticut, the operations and construction on the bridge are controlled by Metro-North, so we need to satisfy three entities. I believe, from a structural and constructability perspective, my two alternatives are viable. One is hanging new conduit work outside the parapet wall, behind the fence along the side of the bridge, over the tracks and the other is probably more acceptable to everybody because it is replacing the conduits in place under the bridge but it requires us to create a safe workspace above the railroad catenaries between two stringers. Stringers are beams and hanging them off the webs, those are perpendicular cross-members between the stringers, by decking over, creating a workspace which is three foot, four inches by seven and one-half foot, working in that workspace by boring through the abutment walls, but the non-bearing portion of the abutment walls and creating that workspace and then putting new conduits in place and

then putting the abutment back in place. Now, because of the nature of the parties involved in the work, I am in the process of contacting bridge engineering firms who have a track record with both Metro-North and Connecticut DOT and there are not that many firms and I am in the initial steps of contacting those firms to do the engineering designs and approvals that will be required to do this. It is not a show stopper. There are alternates including the alternate path with two sets of facilities. Unfortunately, the situation involves money. The magnitude of the money I am not sure of at this point. A casual comment on my part is a half a million dollars, upper end. Now, that's not without having an understanding of the constructability, I mean I am by education a structural major. However, the number of parties involved creates the problem and the railroad because of all of their regulations and their watchmen and their flagmen get expensive. To give you an example, the flagmen and watchmen required for the approximate three days to remove the vegetation along the tracks is \$11,000. The removal of the vegetation along the tracks is only \$15,000. So we are going to work through this process. I expect within the next two months to have a pretty good handle on what it is going to involve. It's a little disappointing when you get involved in it and essentially look and see that the original construction was not according to the original plans. There is not much I can say about that."

Commissioner Westmoreland: "It is probably the same guys that worked on my house twenty years ago."

John Hiscock: "Sorry?"

Commissioner Westmoreland: "It is probably the same guys that worked on my house twenty years ago."

[Laughter]

John Hiscock: "The interesting irony is I inspected the water main over that bridge in the early 70s when I was fairly new with the water utility and climbed up on top of the bridge and looked at it. At the time, the electric company and the water company, even though they were owned by the Second Taxing District, were run so separately I certainly had no knowledge of the electric that was put there nor any interest of any building in that area. It was another utility sitting in the next bay over from us. And while I saw it, it was not relevant to me."

Commissioner Geake: "Through the chair, how in the world did this happen? Did someone actually say they were putting in something and actually stole from the company or what? Do you have any idea?"

John Hiscock: "I would have no idea. I am simply going to indicate to you that the plans showed steel with five inches and there is plastic..."

Commissioner Ramirez: "There is something else."

Commissioner Mann: "Plastic."

John Hiscock: "At four, ok? And whether it was something that the contractor negotiated with South Norwalk Electric Works for a credit or anything else, I have no way of making that determination and that was forty some odd years ago. And there is no one here that was involved with South Norwalk Electric Works that is still here today."

[Laughter]

Commissioner Geake: "Ok."

John Hiscock: "There is some history that we don't need to discuss on the record."

Commissioner Ramirez: "No."

Commissioner Westmoreland: "So when are we turning this thing on?"

John Hiscock: "Ok, good point. December of 2013 or January of 2014. What else do I have on my list...ok, storage at State Street. We are moving additional information material from the substation site to here at State Street and we are going to use the Water Street yard in case there is any excess. We will use it for things that will not get damaged if it gets inundated with water, salt water which happens occasionally at Water Street. We are having a little problem with the UPS easements and CL&P but we believe that's getting worked out. We have a conference call with UPS next week. And as I mentioned before, SNEW is drafting the easement to CL&P and legal counsel Kara Murphy is working on that. Transformer bids were received about three weeks ago, maybe two weeks ago is a better description. We received about fifteen bids. The transformers are expensive. The good news is from order point we have a twenty-three week delivery, which fits into our timeframe indicating delivery time sometime in October or early November. The price is \$1.3 million for the two transformers. Not a bad price. We had a significant amount of competition and there were a large number of companies very close together. We have not made an award. We are still discussing with the low bidder and it was the low bidder, the terms and conditions. We received additional communications last week. We are evaluating them but that looks like it is moving along. We were pleasantly surprised. We thought it was going to delay the project as transformers have long lead times. We have out to bid right now, the circuit switches required. There are two circuit switches required. Those are devices which turn the power off leading to the transformers if there is a fault or a problem. Prices on those should be back in a week or two. They have a shorter lead time. Once we have the prices on the circuit switches and the transformers and a feel for the route on Old Ely Avenue and the discussion with the railroad with respect to the bridge, we will have a strong indication of price. We are significantly below the original \$10 million but we are still in that \$6-\$7 million range. The good news is that the avoided cost to CL&P is about a million dollars a year. So at a million dollars a year, it is easy to cover that cost and cover it rapidly. We are starting to talk to bond counsel, Robinson & Cole and Glen Santoro with respect to bonding and whether or not this should be paid out of cash or bonding is a decision that needs to be made. Probably within the next two to three months. We have sufficient cash to cover the expenditure; however I don't really think it is prudent to drain that significant amount of cash. I am

leaning towards bonding. To do the bonding, we are going to have to do a few things. We are going to need to renew our credit rating. Our credit rating on our last bond issue was AA1, fairly high, next credit rating below AAA. As long as the City of Norwalk maintains it's good, current AAA bonding, that speaks well because they are the over-arching entity. We probably will end up going to both Moody's and Fitch. Getting the credit rating is going to be somewhat costly. However, we probably should continue to move with our own independent credit rating as opposed to doing what First District did and I have talked to you about this previously, by piggybacking on the City of Norwalk bonding, for several reasons. Primarily, we are in the electric business and if for some reason we were remove ourselves from CMEEC and be our own market participant we would be required to have a credit rating to deal with ISO New England and without that credit rating we would be in a position of requiring significant cash posting. So, different than First District we have a reason for maintaining a strong credit rating independent of just the cash-related issue and it speaks to our long-term issue of independence and the difference between the government forms. So, that is where we are on my update. A little longer than I anticipated, I usually go longer than I anticipate."

Commissioner Ramirez: "Through the chair?"

Commissioner Burgess: "Yes."

Commissioner Ramirez: "Can you entertain a question pertaining to, nothing related to this, related to LaJoie's project? How are we doing on LaJoie's project?"

John Hiscock: "Could we finish this item and then address it right after from a procedural prospective?"

Commissioner Ramirez: "My apologies, I thought it was over, never mind. Ok."

John Hiscock: "I don't know if we are over or not. There is no action required; it is just simply answering questions at this point."

Commissioner Burgess: "No action is required on this item. Yes?"

Commissioner Westmoreland: "So timing wise, where do you think we are roughly? I am not trying to commit you to anything."

John Hiscock: "I think presuming the railroad does not become a major issue, we are actually on schedule. CL&P are on schedule, we are on schedule for at the end of the year in-service."

Commissioner Westmoreland: "Really? That quick, that is great."

John Hiscock: "Yes. Substation construction is very short. It is a three, four, five month process at most. Maybe six months if you string it out. Its equipment and permitting, it took us almost a year to get permission to interconnect and another year to get Siting Council approval. It's the regulatory aspects of this that are extraordinarily difficult and

time consuming.”

Commissioner Ramirez: “Through the chair?”

Commissioner Burgess: “Yes.”

Commissioner Ramirez: “With that in mind, there is a reason why these folks are in place and everybody elected here to have, what about suggesting that the powers to be, so called elected individuals, in power right now, to perhaps maybe writing a letter on our behalf in supporting or perhaps expediting the project meaning allowing or permitting us to do what needs to be done? It would be fair to utilize them at this point or wait to see if any trouble comes along?” We are dealing with Metro-North; it is not an easy task. It is probably an experience where you will need a chair to sit down and hope your don’t fall asleep because, seriously I have dealt with this agency and it takes a long time.”

John Hiscock: “I think that we need to sit down and get a reaction from Metro-North with respect to the two possibilities. I have reviewed on a preliminary basis, their requirements for construction over their right-of-way and so far it doesn’t look terribly difficult. It requires an engineering firm, it requires to be certified by a professional engineer with expertise in that area, it requires insurance; it requires a lot of things with respect to the timing of the trains and unprotected work over the top of the rail lines. If in fact, their permitting process is as black and white as what has been indicated, this should go smoothly, but if they don’t agree with the possible or they think it is a difficulty, then we might need some assistance from a...”

Commissioner Ramirez: “Just another avenue that you might have an open mind to.”

Commissioner Burgess: “That is all?”

John Hiscock: “That is all I have.”

Commissioner Burgess: “Motion to adjourn?”

Commissioner Borges-Lopez: “So moved.”

John Hiscock: “We had one question here regarding LaJoie.”

Commissioner Burgess: “Ok.”

Commissioner Ramirez: “I was just wondering on LaJoie, where we stand on the project. How far are we? Are we done?”

John Hiscock: “We are completed, Mr. LaJoie is not. He anticipated April 1st. He is now looking at mid-June. Our work has been completed and has been completed since December, so we did our job. He is having installation issues and purchasing of materials. So, that is where we are at.”

Commissioner Ramirez: "I second the motion to adjourn the meeting."

[Laughter]

Commissioner Ramirez: "Thank you."

Commissioner Borges-Lopez: "I move to adjourn."

Commissioner Burgess: "All in favor?"

Commissioners Unanimously: "Aye."

Adjournment:

The meeting adjourned at 8:50 p.m.

Attest:

Lisa Roland
District Clerk